

REMARKS

The entire contents of the Response filed on May 28, 2004 are incorporated herein in their entirety. These Remarks are in response to the Office Action mailed April 26, 2005.

The Office Action states that the May 28, 2004 Response "is not fully response to the prior Office Action" because claim 7 was allegedly amended to replace "one or more" with "pre-existing" and claims 9 and 12 were allegedly amended to replace "underlying" with "pre-existing." This rejection is respectfully traversed.

Applicants' undersigned representative telephoned Examiner Alpert on May 3, 2005 and explained that the above-identified claims had been amended as indicated in a February 26, 2003 Supplemental Amendment filed by facsimile (copy attached hereto as Exhibit 1). As proof of filing, Applicants refer to the data printed at the top of the fax cover page, which show that 13 pages were received at PTO fax number 703-746-8728 on February 26 at 12:00.

Examiner Alpert was quite helpful and suggested simply filing amended claims in the present response. However, upon reviewing the file, Applicants find that approach to be impracticable: other claims (claim 1, for example) also were amended in the February 26, 2003 Supplemental Amendment, so simply amending claims 7, 9, and 12 would only confuse an already-confused record further.

Consequently, Applicants submit herewith the February 26, 2003 Supplemental Amendment, which shows on its face that it was received by the Patent Office, and respectfully request that the claim amendments therein be made of record. Since the February 26, 2003 Supplemental Amendment apparently was lost by the Patent Office, no petition is believed to be required with this request. However, if a petition is required, please consider this request to be such a petition.

In light of the February 26, 2003 Supplemental Amendment, the claims as listed in the May 28, 2004 Response are both accurate and accurately described. Thus points (1)-(3) in the Office Action are believed to be successfully traversed.

The Office Action further states (at point 4) that "Applicant has failed to argue that new Claims 24-50 overcome the prior art in any way." This rejection is respectfully traversed, except to the extent that it applies to claim 44.

New claims 24-43 depend from already-pending claims 1, 7, 9, 12, and 20. If an independent claim does not read on the prior art, neither do any claims that depend from that

claim. Thus, since Applicants had already argued in the May 28, 2004 Response that claims 1, 7, 9, 12, and 20 were not invalid over the cited references, there was and is no need to further argue that dependent claims 24-43 are not invalid over those references.

Claim 44 is believed patentable over the cited references because those references don't teach, either alone or in combination, the invention of claim 44 when taken as a whole. That is, the cited references fail to teach depositing shares of a plurality of companies into a trust, receiving ownership rights in a security receipt issued by said trust, and selling said security receipt on a securities exchange, wherein said ownership rights comprise voting rights in said shares.

Applicants believe that all claim rejections have been successfully overcome by this response. Applicants respectfully submit that all pending claims are in condition for allowance and request the Patent Office to pass the subject application to issue.

No fee is believed due with this response. However, if any fee is due, please charge that fee to Deposit Account No. 50-0310.

Dated: May 4 2005

Respectfully submitted,



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** JOB STATUS REPORT

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Time Sent:

Date Sent: February 26, 2003

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Note:

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Comments: Re: U.S. Patent Appln. No. 09/574,294, Filed on 05/19/2000

The annexed Supplemental Amendment is submitted for entry in the referenced case.



IN THE UNITED STATES PATENT & TRADEMARK OFFICE

Application No.	Filed:	Inventor(s):	Atty. Dkt.:
09/574,294	05/19/2000	Stephen G. Bodurtha, et al.	0326-136A [009974-5045]
Title: SECURITY RECEIPTS MANAGEMENT SYSTEM			
Examiner: Snapp, Sandra S.			Art Unit: 3624

Commissioner of Patents and Trademarks
Washington, D.C. 20231-0001

Via Facsimile [No. (703) 746-8728]

Attn.: Sandra S. Snapp, Examiner

SUPPLEMENTAL AMENDMENT

Sir:

It is respectfully requested that the following Supplemental Amendment be entered in the above-identified application as follows:

In the Claims

Please amend claims 1, 7, 9, 12 and 20 as follows:

1. (Twice Amended) A system for managing one or more Security Receipts, each said Security Receipt evidencing a beneficial interest in pre-existing underlying securities, the system comprising:

a Trustee holding the underlying securities;

a computer system with associated memory for storing data relating to the underlying securities and the Security Receipts;

means for generating Security Receipts having said beneficial interest, based on said underlying securities; and

means for (i) accepting a further deposit from a Depositor of underlying securities in exchange for one or more newly issued Security Receipts, or (ii) canceling a Security Receipt in exchange for transferring the underlying securities to an owner of said Security Receipt.

7. (Twice Amended) A method for creating a tradable Security Receipt, wherein said Security Receipt is an investment instrument evidencing beneficial ownership in [one or more] pre-existing securities, comprising:

providing a bundle of said securities;

transferring said bundle of securities to a Trustee;

exchanging said bundle for one or more Security Receipts evidencing ownership of the securities;

distributing dividends, if any, from said securities to said owners of Security Receipts on a *pro rata* basis; and

exchanging said securities, or a portion thereof, upon surrender of one or more Security Receipts evidencing ownership of said securities.

9. (Amended) In combination in a tradeable security vehicle corresponding in value to a select aggregation of pre-existing underlying securities, wherein said security vehicle comprises:

a. dividend and voting pass-through means allowing holders thereof corresponding rights to dividend income and ownership voting rights in said underlying securities;

b. vehicle exchange means for converting said tradeable security vehicle into a select interest in said underlying securities; and

c. vehicle arbitrage means for creating additional tradeable security vehicles having identical characteristics at a price corresponding to said underlying securities.

12. (Twice Amended) A method of trading interests in capitalized securities, said method comprising the steps of:

creating a tradeable security vehicle, corresponding in value to a portfolio of select pre-existing underlying securities having a common characteristic;

establishing a trustee for issuing said tradeable security vehicle, holding title to plural securities in said portfolio of select underlying securities, and redeeming said tradeable security vehicle pursuant to predetermined vehicle processing constraints;

passing through to said holder of said tradeable security vehicle dividend and ownership participation in said portfolio of underlying securities; and

operating an exchange having listed securities that include one or more of said tradeable security vehicles.

20. (Amended) In combination in a data processing system for managing and tracking accounts reflecting ownership in Security Receipts and for implementing changes in said ownership, said data processing system includes:

Network platform, interconnected with plural workstations for creating Security Receipts from pre-existing underlying securities tracking Security Receipt ownership and managing communications to participants regarding rights in said underlying securities, and Security Receipt trustee;

Communication server linking trustee to participants and investors wherein information is communicated to said participants reflecting charges in ownership or transactions relating to said Security Receipts.

REMARKS


A further clarification has been made response to the previous "vagueness" rejection regarding the underlying securities. This change is for clarification purposes and without changing the scope of previously worded claims. Applicants also wish to thank the Examiner for the brief telephonic interview on this date. During the discussion, the Examiner indicated that the prior response had addressed the rejections of record and would recommend allowance. Finally, the above amendment was discussed and agreed upon. Applicants respectfully request entry of this amendment and issuance of this application.

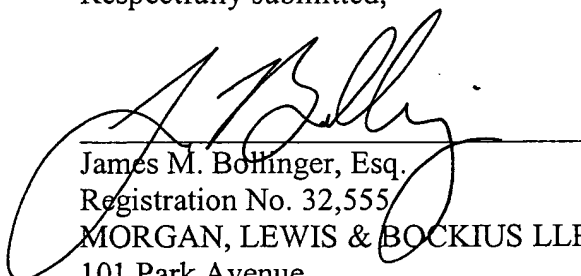
No fee is due with this submission. However, should it be determined that any fees are due, please charge our Deposit Account No. 08-2776.

Respectfully submitted,

Dated: February 26, 2003

I hereby certify that this Supplemental Amendment is being sent to the attention of Examiner Sandra Snapp, via Facsimile Transmission, at the U.S. Patent and Trademark Office, on this 26th day of February 2003


Rosann Macchio


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Marked Up Version of Claims

1. (Twice Amended) A system for managing one or more Security Receipts, each said Security Receipt evidencing a beneficial interest in pre-existing underlying securities, the system comprising:

a Trustee holding the underlying securities;

a computer system with associated memory for storing data relating to the underlying securities and the Security Receipts;

means for generating Security Receipts having said beneficial interest, based on said underlying securities; and

means for (i) accepting a further deposit from a Depositor of underlying securities in exchange for one or more newly issued Security Receipts, or (ii) canceling a Security Receipt in exchange for transferring the underlying securities to an owner of said Security Receipt.

7. (Twice Amended) A method for creating a tradable Security Receipt, wherein said Security Receipt is an investment instrument evidencing beneficial ownership in [one or more] pre-existing securities, comprising:

providing a bundle of said securities;

transferring said bundle of securities to a Trustee;

exchanging said bundle for one or more Security Receipts evidencing ownership of the securities;

distributing dividends, if any, from said securities to said owners of Security Receipts on a *pro rata* basis; and

exchanging said securities, or a portion thereof, upon surrender of one or more Security Receipts evidencing ownership of said securities.

9. (Amended) In combination in a tradeable security vehicle corresponding in value to a select aggregation of pre-existing underlying securities, wherein said security vehicle comprises:

a. dividend and voting pass-through means allowing holders thereof corresponding rights to dividend income and ownership voting rights in said underlying securities;

b. vehicle exchange means for converting said tradeable security vehicle into a select interest in said underlying securities; and

c. vehicle arbitrage means for creating additional tradeable security vehicles having identical characteristics at a price corresponding to said underlying securities.

12. (Twice Amended) A method of trading interests in capitalized securities, said method comprising the steps of:

creating a tradeable security vehicle, corresponding in value to a portfolio of select pre-existing underlying securities having a common characteristic;

establishing a trustee for issuing said tradeable security vehicle, holding title to plural securities in said portfolio of select underlying securities, and redeeming said tradeable security vehicle pursuant to predetermined vehicle processing constraints;

passing through to said holder of said tradeable security vehicle dividend and ownership participation in said portfolio of underlying securities; and

operating an exchange having listed securities that include one or more of said tradeable security vehicles.

20. (Amended) In combination in a data processing system for managing and tracking accounts reflecting ownership in Security Receipts and for implementing changes in said ownership, said data processing system includes:

Network platform, interconnected with plural workstations for creating Security Receipts from pre-existing underlying securities tracking Security Receipt ownership and managing communications to participants regarding rights in said underlying securities, and Security Receipt trustee;

Communication server linking trustee to participants and investors wherein information is communicated to said participants reflecting charges in ownership or transactions relating to said Security Receipts.

Clean Version of Claims

1. A system for managing one or more Security Receipts, each said Security Receipt evidencing a beneficial interest in pre-existing underlying securities, the system comprising:

a Trustee holding the underlying securities;

a computer system with associated memory for storing data relating to the underlying securities and the Security Receipts;

means for generating Security Receipts having said beneficial interest, based on said underlying securities; and

means for (i) accepting a further deposit from a Depositor of underlying securities in exchange for one or more newly issued Security Receipts, or (ii) canceling a Security Receipt in exchange for transferring the underlying securities to an owner of said Security Receipt.

2. The system of claim 1, wherein the underlying securities for said Security Receipt have a common characteristic.

3. The system of claim 1, comprising both means for accepting further deposits for a newly issued Security Receipt and for canceling a Security Receipt in exchange for corresponding underlying securities.

4. The system of claim 1, further comprising means for trading Security Receipts.

5. The system of claim 1, further comprising means permitting an owner of a Security Receipt to vote an underlying security.

6. The system of claim 1, further comprising means for distributing a dividend granted or other distribution with respect to a security underlying a Security Receipt to the owner of the Security Receipt.

7. A method for creating a tradable Security Receipt, wherein said Security Receipt is an investment instrument evidencing beneficial ownership in pre-existing securities, comprising:

providing a bundle of said securities;

transferring said bundle of securities to a Trustee;

exchanging said bundle for one or more Security Receipts evidencing ownership of the securities;

distributing dividends, if any, from said securities to said owners of Security Receipts on a *pro rata* basis; and

exchanging said securities, or a portion thereof, upon surrender of one or more Security Receipts evidencing ownership of said securities.

8. The method of claim 7, further comprising the step of notifying said owners of said Security Receipts of voting rights related to said securities and soliciting votes from said owners.

9. In combination in a tradeable security vehicle corresponding in value to a select aggregation of pre-existing underlying securities, wherein said security vehicle comprises:

a. dividend and voting pass-through means allowing holders thereof corresponding rights to dividend income and ownership voting rights in said underlying securities;

b. vehicle exchange means for converting said tradeable security vehicle into a select interest in said underlying securities; and

c. vehicle arbitrage means for creating additional tradeable security vehicles having identical characteristics at a price corresponding to said underlying securities.

10. The tradeable security vehicle of claim 9 wherein said vehicle exchange means comprises operation of a trustee and includes purchases and/or redemptions of underlying securities on an Exchange.

11. The tradeable security vehicle of claim 9 wherein said vehicle arbitrage means comprises operation of a trustee and includes accepting said underlying securities in exchange for a corresponding security vehicle.

12. A method of trading interests in capitalized securities, said method comprising the steps of:

creating a tradeable security vehicle, corresponding in value to a portfolio of select pre-existing underlying securities having a common characteristic;

establishing a trustee for issuing said tradeable security vehicle, holding title to plural securities in said portfolio of select underlying securities, and redeeming said tradeable security vehicle pursuant to predetermined vehicle processing constraints;

passing through to said holder of said tradeable security vehicle dividend and ownership participation in said portfolio of underlying securities; and

operating an exchange having listed securities that include one or more of said tradeable security vehicles.

13. The method of claim 12 wherein said trustee operates to provide said passing through of dividend and ownership participation.

14. The method of claim 12 wherein said common characteristic for said underlying securities is a business directed to Internet-based commerce.

15. The method of claim 12 wherein said trustee periodically issues and redeems said tradeable security vehicle.

16. The method of claim 14 wherein said trustee holds title of said tradeable security vehicle and coordinates transactions thereof through a Depository Trust Company (DTC).

17. The method of claim 12 wherein said common characteristic for said underlying securities is a business selected from the group of Pharmaceutical, Internet, Biotechnology, and Genetics.

18. The method of claim 12 wherein the common characteristic for said underlying securities is a business having a select capitalization.

19. The method of claim 12 wherein the common characteristic for said underlying securities is a trading level of a select volume range.

20. In combination in a data processing system for managing and tracking accounts reflecting ownership in Security Receipts and for implementing changes in said ownership, said data processing system includes:

Network platform, interconnected with plural workstations for creating Security Receipts from pre-existing underlying securities tracking Security Receipt ownership and managing communications to participants regarding rights in said underlying securities, and Security Receipt trustee;

Communication server linking trustee to participants and investors wherein information is communicated to said participants reflecting charges in ownership or transactions relating to said Security Receipts.

21. The data processing system of claim 20 further comprising programming to manage the issuance and redemption of Security Receipts.

22 The data processing system of claim 21 further comprising programming to modify a composition of underlying securities for said Security Receipt.

23 The data processing system of claim 22 wherein said programming includes a portfolio rebalancing based on a merger or acquisition of a company having stock in said underlying securities.